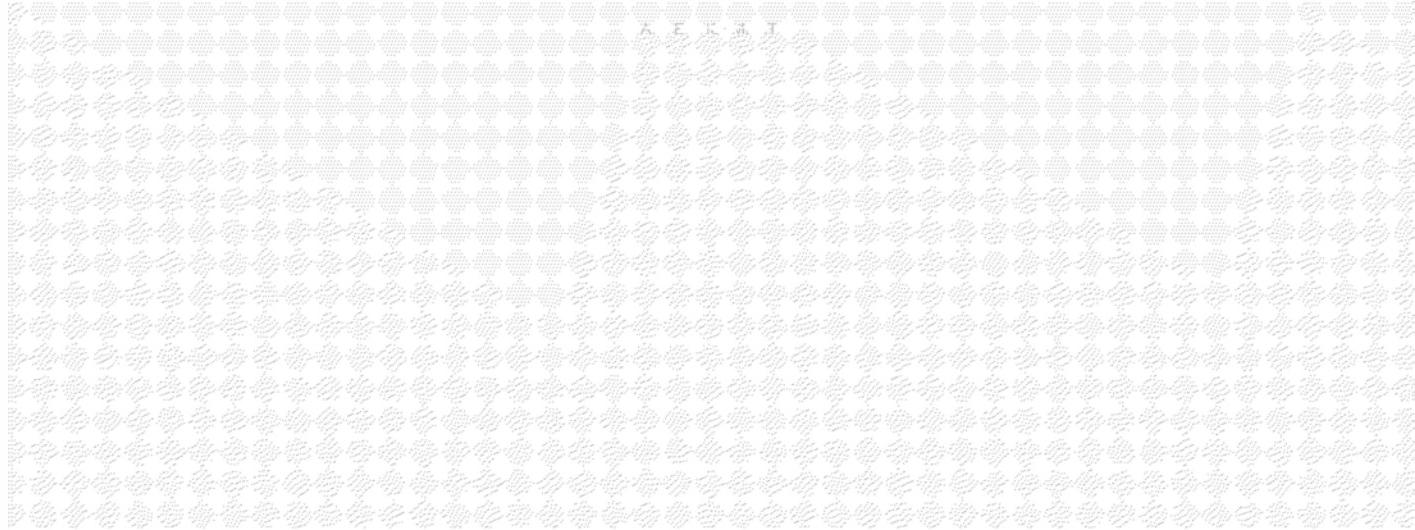


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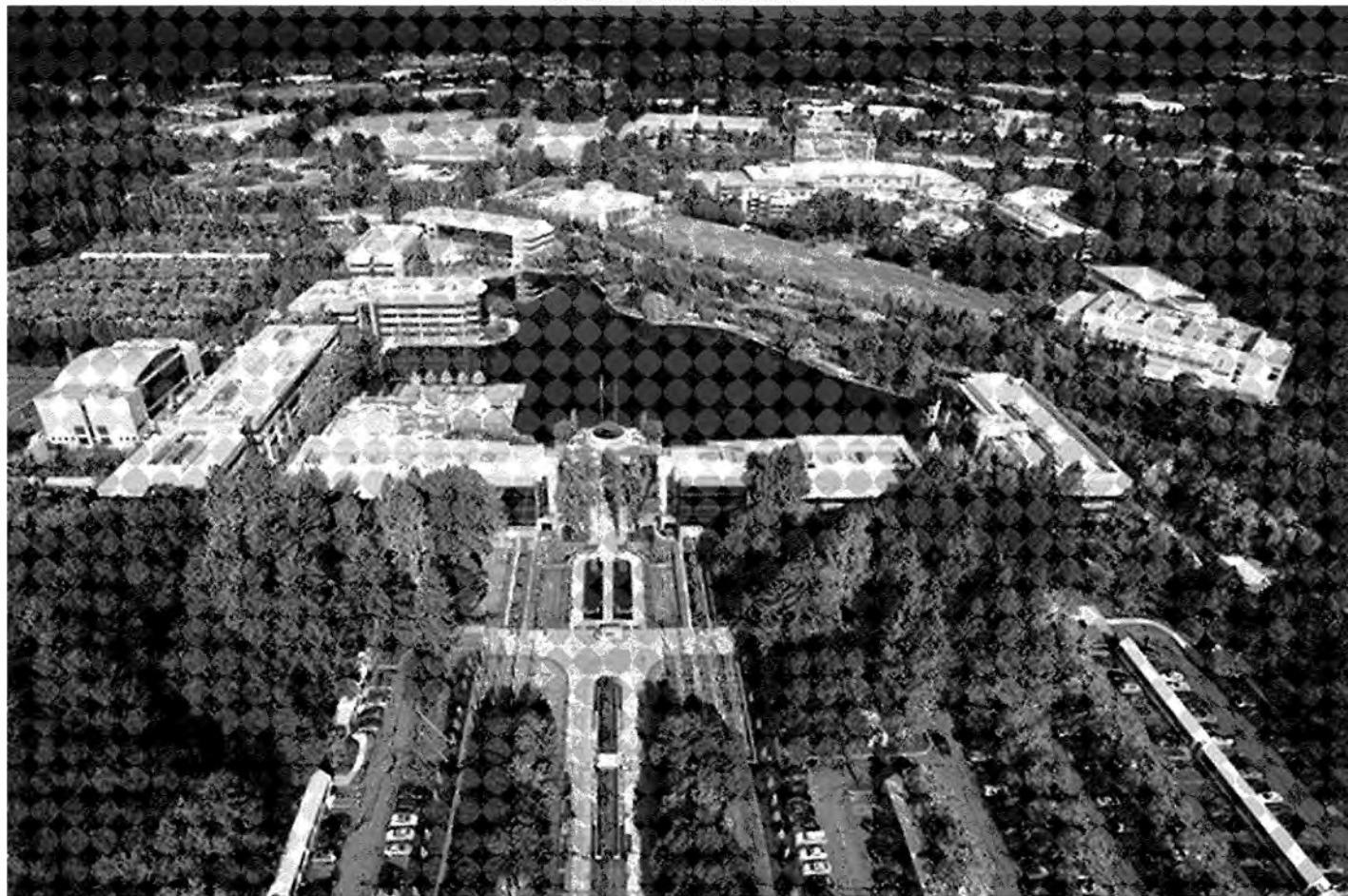
Nike headquarters in Beaverton, Ore. Reports of job discrimination and bad behavior by men were ignored by human resources, some female employees say. Charles Chesnut/Nike

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Nike headquarters in Beaverton, Ore. Reports of job discrimination and bad behavior by men were ignored by human resources, some female employees say. Charles Chesnut/Nike

By Julie Creswell, Kevin Draper and Rachel Abrams

April 28, 2018



Leer en español

For too many women, life inside Nike had turned toxic.

There were the staff outings that started at restaurants and ended at strip clubs. A supervisor who bragged about the condoms he carried in his backpack. A boss who tried to forcibly kiss a female subordinate, and another who referenced a staff member's breasts in an email to her.

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Then there were blunted career paths. Women were made to feel marginalized in meetings and were passed over for promotions. They were largely excluded from crucial divisions like basketball. When they complained to human resources, they said, they saw little or no evidence that bad behavior was being penalized.

Finally, fed up, a group of women inside Nike's Beaverton, Ore., headquarters started a small revolt.

Covertly, they surveyed their female peers, inquiring whether they had been the victim of sexual harassment and gender discrimination. Their findings set off an upheaval in the executive ranks of the world's largest sports footwear and apparel company.

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On March 5, the packet of completed questionnaires landed on the desk of Mark Parker, Nike's chief executive. Over the next several weeks, at least six top male executives left or said they were planning to leave the company, including Trevor Edwards, president of the Nike brand, who was widely viewed as a leading candidate to succeed Mr. Parker, and Jayme Martin, Mr. Edwards's lieutenant, who oversaw much of Nike's global business.

Others who have departed include the head of diversity and inclusion, a vice president in footwear and a senior director for Nike's basketball division.

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It is a humbling setback for a company that is famous worldwide and has built its brand around the inspirational slogan "Just Do It." While the #MeToo movement has led to the downfall of individual men, the kind of sweeping overhaul that is occurring at Nike is rare in the corporate world, and illustrates how internal pressure from employees is forcing even huge companies to quickly address workplace problems.

As women — and men — continue to come forward with complaints, Nike has begun a comprehensive review of its human resources operations, making management training mandatory and revising many of its internal reporting procedures.

While the departure of top executives has been covered in news accounts, new reporting by The New York Times, including interviews with more than 50 current and former employees, provides the most thorough account yet of how disaffection among women festered and left them feeling ignored, harassed and stymied in their careers. The Times also viewed copies of three complaints to human resources.

By  The New York Times

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“I came to the realization that I, as a female, would not grow in that company,” said Francesca Krane, who worked for five years in Nike’s retail brand design area before leaving in 2016. She said she grew tired of watching men get promoted into jobs ahead of women she felt were equally or better qualified.

Many of those interviewed, across multiple divisions, also described a workplace environment that was demeaning to women. Three people, for instance, said they recalled times when male superiors referred to people using a vulgar term for women’s genitals. Another employee said that her boss threw his car keys at her and called her a “stupid bitch.” She reported the incident to human resources. (She told her sister about it at the time, the sister confirmed.) He continued to be her supervisor.

Most of the people who spoke to The Times insisted on anonymity, citing nondisclosure agreements or a fear of being ostracized in the industry, or in the Portland community, where Nike wields outsize influence. Some have spouses or family members still working there.

In response to questions, Nike portrayed its problems as being confined to “an insular group of high-level managers” who “protected each other and looked the other way.”

“That is not something we are going to tolerate,” said a spokesman, KeJuan Wilkins.

In a statement, Mr. Parker said the vast majority of Nike’s employees work hard to inspire and serve athletes throughout the world. “It has pained me to hear that there are pockets of our company where behaviors inconsistent with our values have prevented some employees from feeling respected and doing their best work,” he said.

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For Amanda Shebiel, who left Nike in September after about five years at the company, the promise to address longstanding systemic problems is welcome, but late.

“Why did it take an anonymous survey to make change?” she asked. “Many of my peers and I reported incidences and a culture that were uncomfortable, disturbing, threatening, unfair, gender-biased and sexist — hoping that something would change that would make us believe in Nike again.”

Photo credit: AP Photo/Jeff Chiu

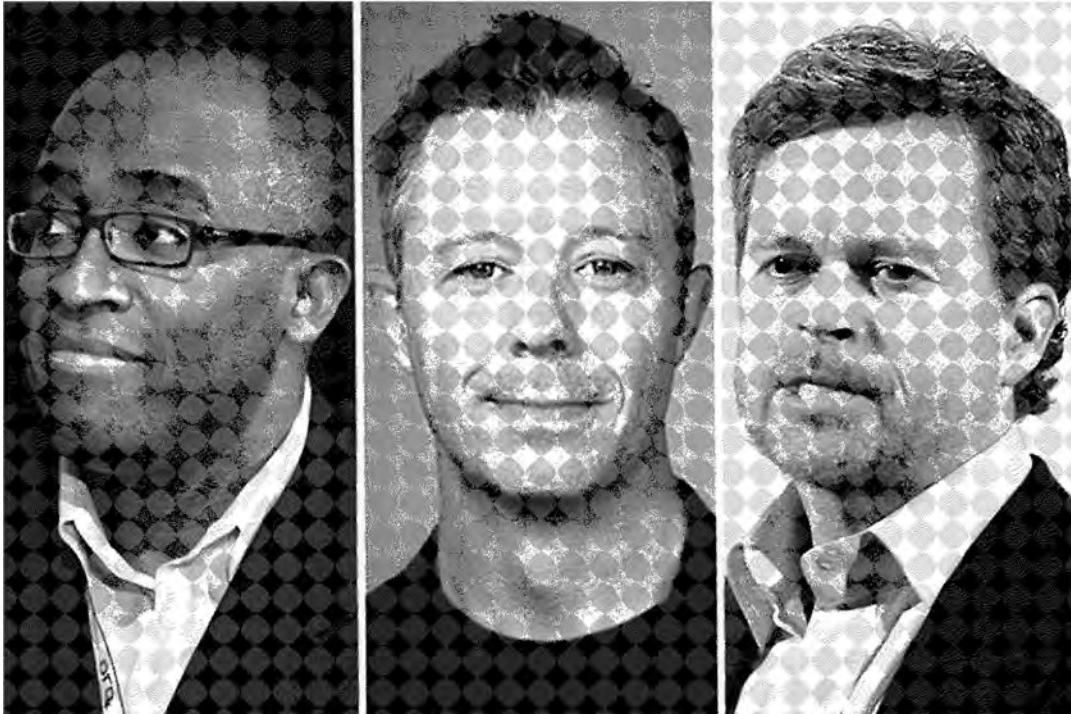
“No one went just to complain,” Ms. Shebiel added. “We went to make it better.”

From left, Trevor Edwards, Nike’s former president; Jayme Martin, Mr. Edwards’s lieutenant, who oversaw much of Nike’s global business; and Mark Parker, the company’s chief executive.

From left, Johannes Simon/Getty Images; LinkedIn; Mike Lawrie, via Getty Images

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From left, Trevor Edwards, Nike's former president; Jayme Martin, Mr. Edwards's lieutenant, who oversaw much of Nike's global business; and Mark Parker, the company's chief executive. From left, Johannes Simon/Getty Images; LinkedIn; Mike Lawrie, via Getty Images

An Inner Circle of Men

With a market value of about \$112 billion and annual revenues of around \$36 billion, Nike is a global behemoth in the athletic market, where its dominance went largely unchallenged for several decades.

But the company is facing significant business hurdles. Adidas, one of its biggest competitors, has gained ground in key markets like apparel and footwear. Nike is also struggling to get traction in women's categories, the fastest-growing segment of the market.

Some of those interviewed by The Times said the weakness in women's products in part reflected a lack of female leadership and an environment that favored male voices. Nike's own research shows that women occupy nearly half the company's work force but just 38 percent of positions of director or higher, and 29 percent of the vice presidents, according to an April 4 internal memo

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obtained by The Times.

And while Nike executives have told investors that the women's category was a crucial part of its revenue growth strategy, former employees said it was not given the budget it needed to roll out the sophisticated marketing campaigns that were the hallmark of traditional men's sports, like basketball.

When Nike did put money behind campaigns targeting women, it sometimes flailed.

Last year, Mr. Edwards, the former president, gave the green light for a marketing campaign for the fall launch of the VaporMax shoe for women; the female British singer FKA Twigs was given creative license for a shoot in Mexico City. The result, according to a person who saw a rough cut of the commercial and another who saw the final cut, featured few shots of the shoes and instead had a woman twirling on what looked like a stripper pole and male athletes in sports bras striking odd poses. The campaign was killed, costing Nike millions of dollars.

Asked about the aborted campaign, Mr. Wilkins of Nike said the company was proud of its relationship with the singer. "We have a history of pushing the boundaries in marketing, just as we do in product development," Mr. Wilkins said. "We create a lot of material that is not deployed in the marketplace."

ALYSSA ISEMBART

Nike forcefully disputed the notion that women were not involved in the creative and marketing operations, noting that a female executive leads its

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women's division. But Mr. Wilkins, the spokesman, acknowledged that, in areas like basketball, "there was more room and opportunity for the company to increase female representation in its senior positions."

While women struggled to attain top positions at Nike, an inner circle of mostly male leaders emerged who had a direct line to Mr. Edwards. Within the company, as reported earlier in *The Wall Street Journal*, this group was known as F.O.T., or Friends of Trevor. They texted him in meetings or bragged about having lunch or dinner with him.

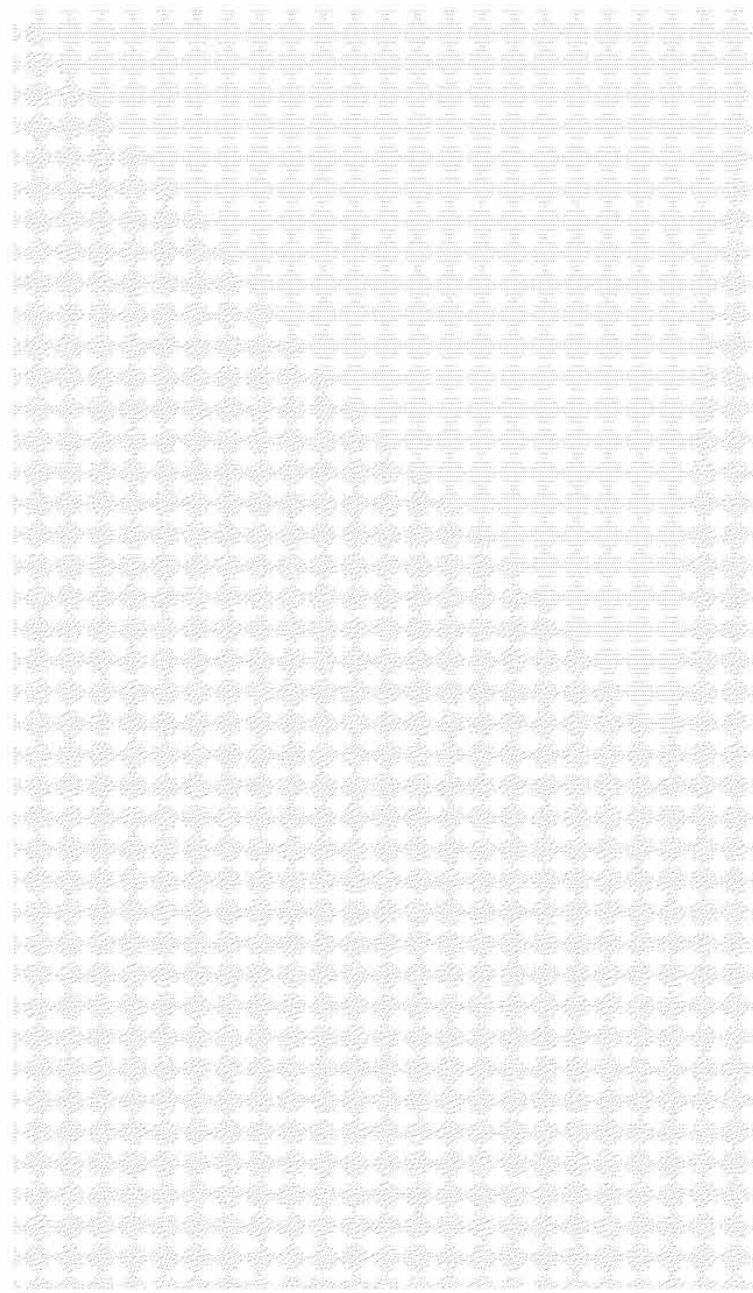
A charismatic and creative marketing force, the London-born Mr. Edwards joined Nike in 1992. He oversaw marketing in Europe in the late 1990s, before moving to the United States and taking over the brand in 2002. In 2013, he became Nike brand president.

A Nike executive whom Paige Azavedo and other women reported to human resources for berating them in front of their peers was promoted last year. This month, he was among the departures. *Kyle Johnson for The New York Times*

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Paige Azavedo recalls her first meeting in 2014 with her new boss, Daniel

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Tawiah, then a senior director for Nike's digital brand in North America. She expected they would discuss digital marketing plans.

Instead, she was surprised when he talked mostly about himself and how Mr. Edwards had nominated him for a fast-track career program. "He basically said, I've been nominated to be in this V.P. program and that's going to be my goal for the next six months to a year," said Ms. Azavedo, who left Nike in 2015. "He made it clear he was a friend of Trevor."

Multiple women, including Ms. Azavedo, told The Times they reported Mr. Tawiah to human resources for berating them in front of their peers, sometimes to the point of tears. He was promoted to vice president last year. This month, he was among those who abruptly departed.

S E C U R E D

Reached by telephone, Mr. Tawiah declined to comment. Mr. Wilkins declined to comment on the complaints against Mr. Tawiah or his departure.

Mr. Edwards, who resigned in March but is advising Mr. Parker until he retires in August, did not respond to an email or a message left on his LinkedIn profile. A representative for Mr. Martin declined to comment.

As men advanced more quickly into key roles in merchandising, design and marketing, a number of high-ranking women began to leave the company.

Among the first to depart, in the spring of 2017, was Patty Ross, a vice president of workplace design and connectivity who had started working at Nike when she

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was 16. She had also founded a women's mentoring network inside Nike.

She was followed by Kerri Hoyt-Pack, a 15-year veteran of the company who had helped launch the Nike women's brand. Then came Nikki Neuburger, a vice president in global brand marketing for running, who was a driving force behind the Nike+ app.

Ms. Ross declined to comment for this article. Ms. Hoyt-Pack and Ms. Neuburger did not respond to messages seeking comment.

When Ms. Neuburger left, she sent a pointed letter to Mr. Parker as well as other members of her team, laying out the reasons for her departure. They covered familiar themes, said one person who said she was read the letter: harassment, and the exclusion of women from the inner circle of decision makers.

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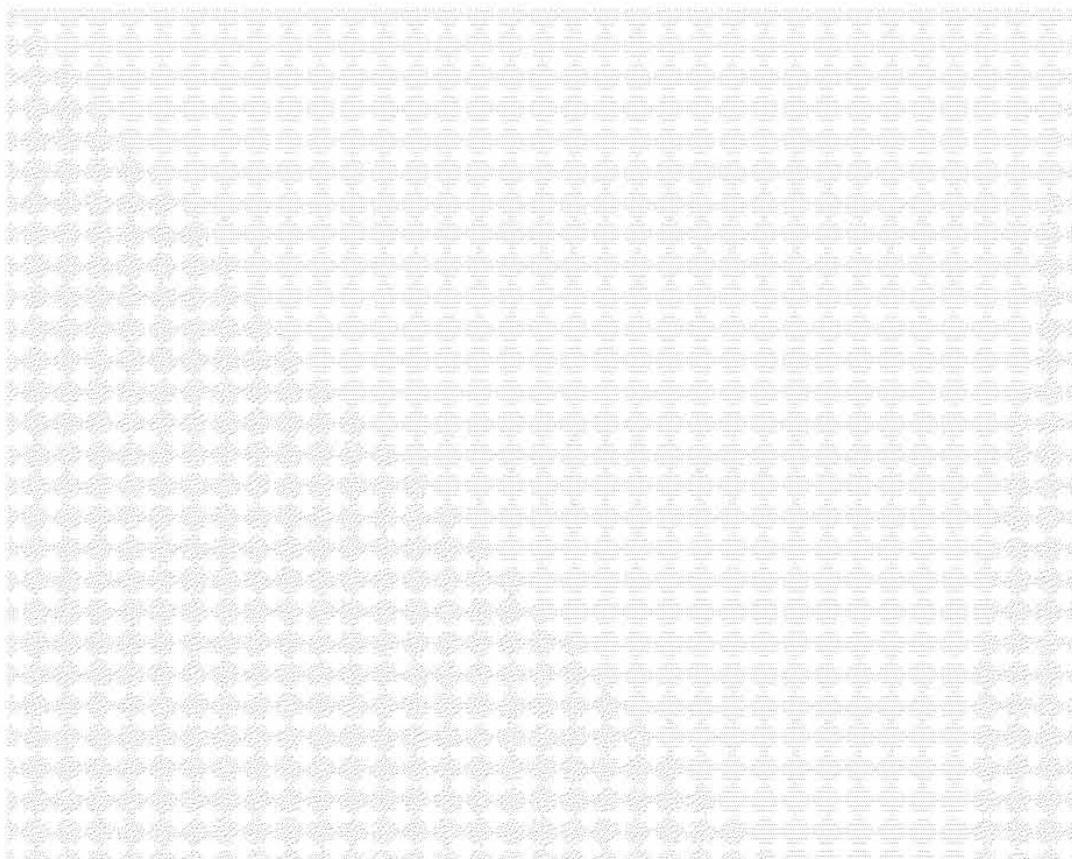
"Nikki did write a letter," Mr. Wilkins said. "It was thoughtful and professional. Mark took the letter very seriously and did meet with Nikki."

Concerned about these departures, a group of women inside Nike started the behind-the-scenes survey that eventually ended up on Mr. Parker's desk.

Banners outside the headquarters of Nike. While the #MeToo movement has led to the downfall of individual men, the kind of sweeping overhaul that is occurring at Nike is rare in the corporate world. [Natalie Behring/Getty Images](#)

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Banners outside the headquarters of Nike. While the #MeToo movement has led to the downfall of individual men, the kind of sweeping overhaul that is occurring at Nike is rare in the corporate world. Natalie Behring/Getty Images

'I Was Looking for Help'

The obstacles to advancement for women at Nike are not new and, in many ways, common in companies with male-dominated leadership. Since Nike's early days in the 1960s, many employees have been guided by a simple ethos: work hard, party hard, get up for your five-mile run in the morning.

The culture that evolved could be belittling to women. On the way to a work dinner in Los Angeles, two senior men debated whether Los Angeles or

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Portland had better strip clubs, according to a person who attended, as the women traveling with them in the van stared out the windows.

One current employee said a supervisor pushed his way into a bathroom and tried to kiss her, according to a copy of her complaint that was viewed by The Times.

Over time, many women developed a deep skepticism of Nike's human resources services. Some avoided the department altogether, fearing retribution or convinced that nothing would happen. Those who did seek help said they often came away frustrated.

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"I was looking for help and they just totally shut it down, like 'You're the problem,'" said Marie Yates, a former retail designer, who said she went to human resources seeking help with issues she was having with a manager. She left the company in 2016.

A senior manager who mentioned a female employee's breasts in an email was not terminated, but rather given a verbal warning, according to a former staff member in the human resources department.

In one complaint reviewed by The Times, a woman described her manager bragging about the condoms he always carried and the magazines he kept on his desk with scantily clad women on the covers, despite being told to remove them. She reported him to human resources, and was told she had made a mistake by not confronting him first, she said.

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Until last year, human resources was run by David Ayre, who was hired in 2007 by Nike from PepsiCo and reported directly to Mr. Parker.

Mr. Ayre did not return phone and email messages seeking comment.

Complaints were sometimes handled casually. The employee whose supervisor tried to kiss her in the bathroom set up a meeting with human resources to discuss it, and was taken aback when she was told to meet her representative in the Mia Hamm cafe — a public space on Nike's sprawling campus.

Amber Amin said her manager routinely belittled her with sexist and dismissive comments but still worried about what would happen if she reported him.

"I think his general attitude toward women was just, subtly, that we were less capable," said Ms. Amin, a junior designer on one of the Nike apps, who added that she had received positive performance reviews since becoming an employee in 2014.

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She eventually sought help from human resources, which told her that corrective action would be taken. Two days later, she was part of a round of layoffs.

Mr. Wilkins said Nike has a no-retribution policy that it takes seriously and noted that there was a significant reorganization of the work force last year.

The callousness that some women experienced extended at times to the work

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force at large, employees said. By the summer of 2016, for instance, Nike had decided to stop making golf balls, golf clubs and other equipment. Members of the division were summoned to a meeting inside the Clubhouse, the nickname for one of Nike's buildings.

There, horrified employees watched their names appear on a large screen, directing them to different rooms, where some would be laid off, according to one person who attended the meeting and two people who were told of it. The person said it left employees with the impression they were being let go via PowerPoint presentation.

Asked about those layoffs, Mr. Wilkins said, "That's absolutely not normal practice for us," and suggested the situation was more nuanced than it appeared. In layoff situations, he said, "we make great efforts to treat every employee in a very thoughtful manner."

Regarding complaints to human resources, Mr. Wilkins said: "We're not going to comment on individual cases, but cases are often more complicated than simply listening to one side of the story."

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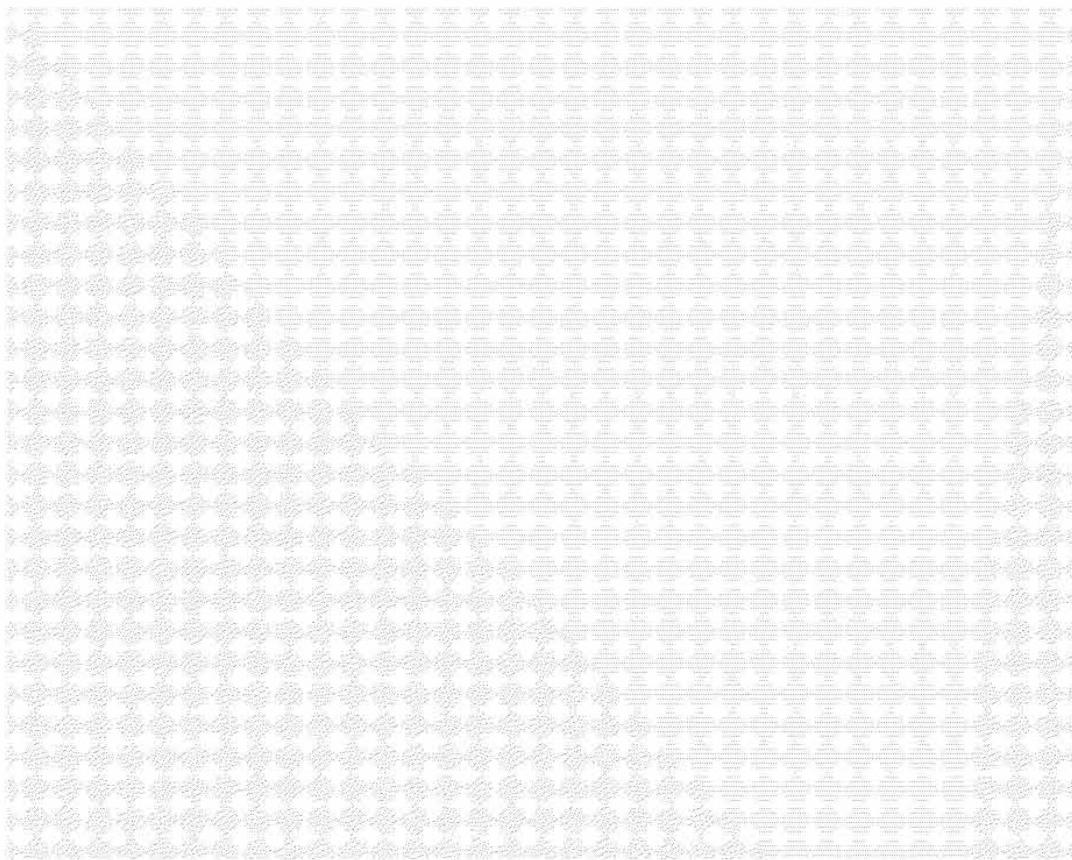
While Nike believes it has a set of human resources procedures installed, those systems "have not worked consistently," Mr. Wilkins said. "As Mark has said, we are currently reviewing and improving our practices to re-establish trust where it has been lacking and to guard against this happening in the future."

In women's products, Nike "is growing in the low single digits, which means it is a long way away from where it wants to be,"

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said Matt Powell, a sports industry analyst at the NPD Group. (Kyle Johnson for The New York Times)

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Pressure on Chief Executive

Nike's goals would have been hard to achieve even before the recent departure of high-level executives. In October 2015, Mr. Parker announced an ambitious target: By 2020, Nike would reach \$50 billion in annual revenues. But last fall

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the company pushed the target date to 2022.

And while Nike's stock has climbed 25 percent in the past year, its revenues for the first nine months of its current fiscal year grew by only 4 percent, with North American sales dipping in crucial areas, like footwear.

In women's products, Nike "is growing in the low single digits, which means it is a long way away from where it wants to be," said Matt Powell, a sports industry analyst at the NPD Group. Companies like Lululemon and even Old Navy are finding greater success in the women's sportswear market, Mr. Powell said.

For now, Mr. Edwards's duties have been split between two other executives. Nike recently named a woman, Kellie Leonard, as chief diversity and inclusion officer, and Mr. Wilkins said Nike is focused "on attracting, developing and elevating both women and people of color throughout the organization."

It now falls to Mr. Parker, 62, to move Nike forward. A quiet executive who designed several of Nike's running shoes, Mr. Parker has been the company's chief executive since 2006. He appeared to solidify his control over the company's operations around 2015 when Nike's co-founder Phil Knight stepped down as company chairman.

But given the recent tumult at Nike, Mr. Parker may face tough questions himself. At least a dozen current and former employees told The Times they could not see how Mr. Parker was not aware of the problems with his top leaders. What is unclear, some said, is whether information was deliberately kept from Mr. Parker.

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As he did with other executives who reported directly to him, Mr. Parker met regularly with Mr. Ayre when he was the head of human resources to discuss, among other things, any active investigations of suspected employee misconduct, Mr. Wilkins said.

When appropriate, he said, action was taken. But with 74,000 employees, Mr. Wilkins said, “Mark would not have been aware of all issues.”

That explanation did not satisfy Ms. Shebiel, the former employee who left in September.

If Mr. Parker did not know, she said, “it negates the times over the years my peers and I sought support and counsel from the people we were told we could trust to bring about change.”

Ms. Shebiel said she and her colleagues risked or experienced retaliation “for shining a light on both significant and everyday experiences that left us feeling bullied, uncomfortable and intimidated.”

Doris Burke, Alain Delaquérière and Elisa Cho contributed research.

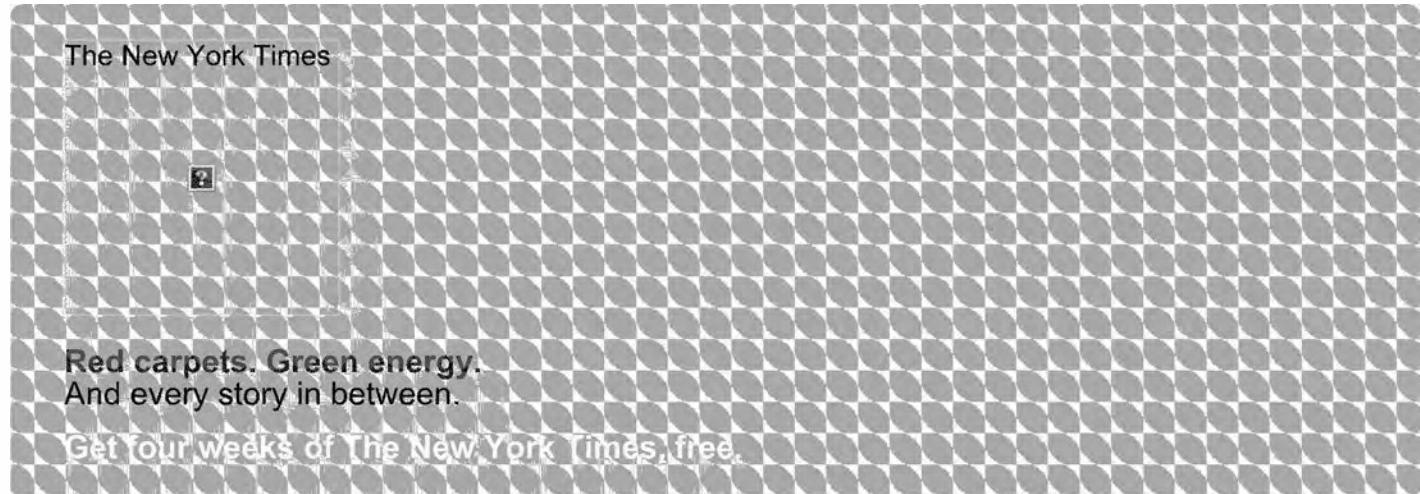
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